

BEFORE THE OIL CONSERVATION COMMISSION
OF THE
STATE OF NEW MEXICO

IN THE MATTER OF THE APPLICATION
OF CONTINENTAL OIL COMPANY FOR THE
ESTABLISHMENT UNDER THE PROVISIONS
OF STATEWIDE RULE 104(1) OF TWO
NON-STANDARD OIL PRORATION UNITS
CONSISTING OF (a) 12.06 ACRES OF
LOT NO. 1 AND ALL OF THE 27.94
ACRES IN LOT NO. 2 AND (b) ALL OF
THE 28.17 ACRES IN LOT NO. 3 AND
11.83 ACRES OF LOT NO. 4 OF SECTION 30,
T-17-S, R-29-E, EDDY COUNTY, NEW
MEXICO, TO BE ALLOCATED TO ITS STATE
S-30 WELLS NO. 1 AND NO. 3, AND FOR
AN EXCEPTION TO RULE 309(a) IN
ORDER TO COMMINGLE THE PRODUCTION
FROM THOSE PORTIONS OF ITS STATE S
AND STATE P LEASES LOCATED IN SAID
SECTION 30 AND TO ALLOCATE PRODUCTION
ON THE BASIS OF ACREAGE AND WELL
ALLOWABLES

A P P L I C A T I O N

Comes now applicant, Continental Oil Company, and petitions the Commission for an order approving two non-standard oil proration units comprising (a) the South 12.06 acres of Lot No. 1 and all of the 27.94 acres in Lot No. 2 and (b) all of the 28.17 acres in Lot No. 3 and the North 11.83 acres of Lot No. 4 of Section 30, T-17-S, R-29-E, Empire Abo Pool, Eddy County, New Mexico, to be allocated to its (1) State S-30 No. 1 well located 2310 feet from the North and 330 feet from the West lines and (2) State S-30 No. 3 well to be drilled at a standard location on said Section 30; and for an exception to statewide Rule No. 309(a) for permission to commingle production from those portions of its State S and State P leases located in said Section 30, and in support thereof would show:

1. That applicant is owner and operator of (a) the State S Lease containing, among other lands, the NW/4 and NW/4 of the SW/4, and (b) the State P lease containing, among other lands, the S/2 of the SW/4 of Section 30, T-17-S, R-29-E, Eddy County, New Mexico.

2. That applicant drilled the State S-30 No. 1 at a location 2310 feet from the North and 330 feet from the West lines of said Section 30 and completed it on January 21, 1961, as an oil well in the Empire Abo Pool. State S-30 No. 2 was drilled at a location 2310 feet from the North and 1254 feet from the West lines of Section 30 and was completed July 18, 1961, as an oil well in the Empire Abo Pool.

3. That applicant has intention of drilling the State S-30 No. 3 at a standard location on Lot No. 3 of said Section 30 in the Empire Abo Pool.

4. That no part of the 12.06 acres of Lot No. 1, 28.17 acres in Lot No. 3, or 11.83 acres of Lot No. 4 of said Section 30 is allocated to an oil well, and that all said acreage may reasonably be presumed to be productive of oil from the Empire Abo Pool and should be allocated to an oil well in the interest of the prevention of waste and the protection of correlative rights.

5. That the most practical and economical method of allocating said acreage for Empire Abo Pool oil production is to establish 40-acre non-standard oil proration units, as described above, for assignment to the State S-30 wells No. 1 and No. 3.

6. That information available to the applicant indicates that the mineral rights under each of the above described State leases are held as Common School Royalty.

7. That oil production has been obtained on the State S Lease from the Empire Abo Pool, and that production is anticipated on the State P Lease from said pool.

8. That insufficient reserves are present under the State P Lease to economically justify drilling a well on the acreage on said Section 30.

9. That applicant proposes to allocate production

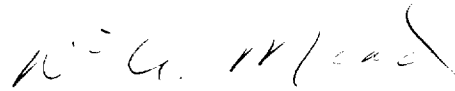
to the State S and State P Leases on the basis of acreage and well allowables.

10. That applicant proposes to install accurate test facilities at the common tank battery so that the performance of each well will be accurately checked.

Wherefore, applicant prays that this application be set for hearing before the Commission's duly qualified examiner and that upon hearing an order be entered granting applicant the non-standard oil proration unit and permission to commingle the oil produced from the two leases described above.

Respectfully submitted,

CONTINENTAL OIL COMPANY



Wm. A. Mead
Division Superintendent
of Production
New Mexico Division

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